



Food sector in Saxony

STAATSMINISTERIUM
FÜR UMWELT UND
LANDWIRTSCHAFT



Freistaat
SACHSEN

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Preface



The food sector has for years been one of the top performers among the manufacturing industries in terms of turnover on sales. Its remarkable development since 1991 is mainly due to its proactive entrepreneurs who have shown high personal commitment and invested their expertise and capital in the establishment and expansion of state-of-the-art companies. The Saxon spirit of invention is quite proverbial. Still today, the actors in the food sector of the Free

State of Saxony continue to show courage for innovation with a large number of new products and continuous process optimization. The future is being shaped by new trends for more sustainability and latest findings in nutrition research.

Germany like Saxony as an industrial location are the flagship and guarantor for utmost quality, absolute safety and broad diversity. Consumers in Germany show appreciation and trust in regional food, while "Made in Saxony" is a popular export brand also in international markets. Efficient transport infrastructures, modern communication networks and an excellent academic and research landscape help improve the food sector's current and future competitive performance.

The producers and processors of the Saxon agriculture and food industries ensure our food safety while conveying traditions, food culture and joie de vivre in the best meaning of it. Discover Saxony as a country of food enjoyment.

Thomas Schmidt
Saxon State Minister
of the Environment and Agriculture



Investment support.

Business promotion.

Economic factor Food industry

SHARE OF FOOD INDUSTRY IN THE MANUFACTURING SECTOR IN SAXONY 2017

Source: Statistical Office of the
Free State of Saxony;
companies with ≥ 20 employees

COMPANIES 12.5%



WORKFORCE 7.4%



TURNOVER 8.9%



FOREIGN TURNOVER 3.1%



The food industry is among the industries with the highest turnover on sales within the manufacturing sector in Saxony. Almost 13 per cent of all companies are within the food sector, which is an important employer, especially in rural areas. Exports have largely grown during the past few years. Since 1991, the companies in the

food sector have invested more than 5 billion euros against more than 980 million euros in grants.

Companies in Saxony can rely on a broad range of attractive local conditions for further growth, including best-quality base materials from agricul-

tural production and highly trained specialist staff, as well as an excellent research landscape focused on forward-looking disciplines such as biotechnology, IT and mechanical engineering as a supporting and promoting tool for innovations in all areas from production to marketing.



Beneficial diversity.

Pooled resources.

Agriculture

Saxon agriculture as a close partner of the food sector stands for high productivity and excellent quality. Saxon farmers cultivate almost half of Saxony's land surface. The fertile soils of the Saxon loess region are dominated by crops, whereas the less fertile mountainous areas are used as grasslands for animal feed production. There are various regional particularities such as the vineyards in the Elbe river valley, the fish ponds in Lusatia, or the fruit-growing farms in

Middle Saxony and in the foothills of the sandstone mountains known as Saxon Switzerland.

Product pooling and cooperation approaches help preserve the resources for food production while protecting the climate with short delivery distances. The food sector also profits from strong producer associations that are able to provide also large amounts of products in utmost quality.



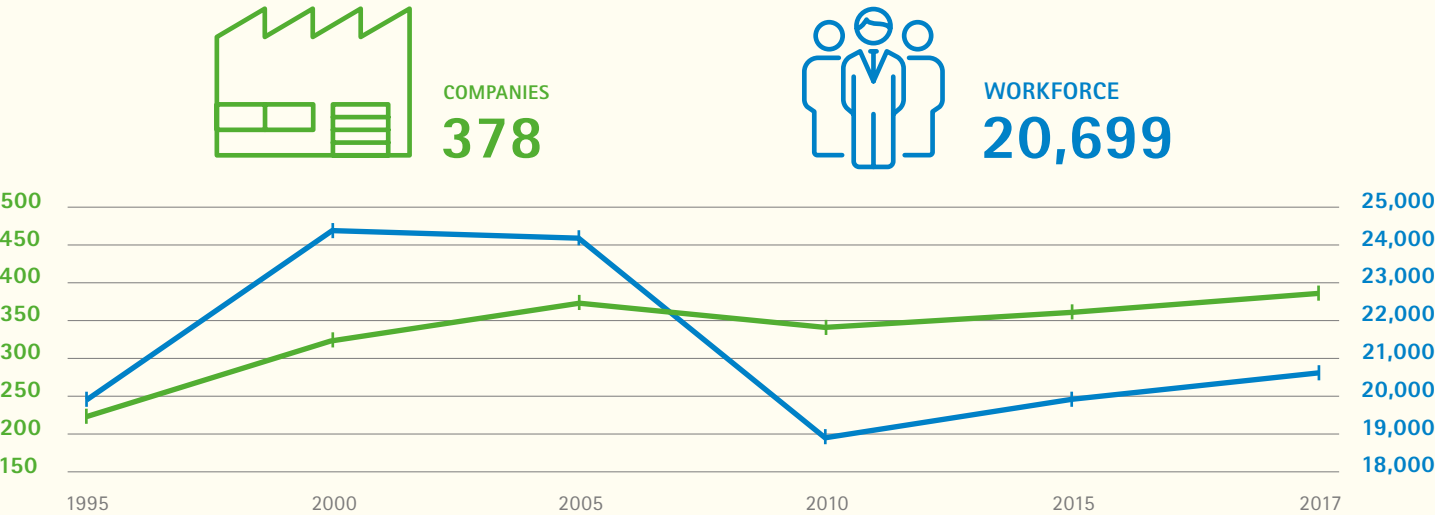
SURFACE AREA IN
AGRICULTURE USE:

901,000 ha

Source: Statistical Office of the
Free State of Saxony; 2017

COMPANIES AND WORKFORCE

Source: Statistical Office of the Free State of Saxony; companies with ≥ 20 employees



Food industry

In 2017, 20,699 persons were employed by 378 companies in the Saxon food industries. Most of the businesses are small and medium-sized enterprises.

In addition, there are some 1,600 craft businesses, especially bakers and butchers, employing approximately 23,000 persons.





Staff loyalty.

Customer retention.



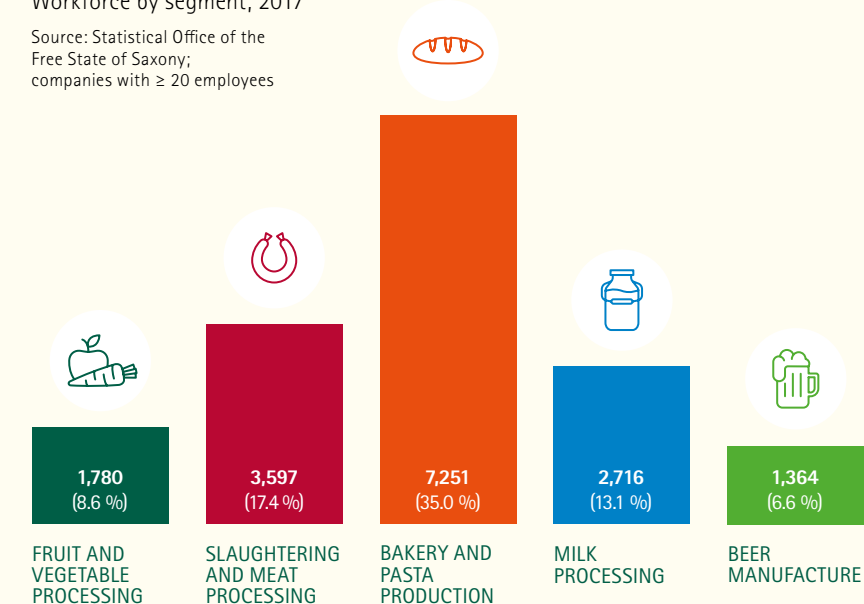
More than one third of the employees work in bakery and pasta production, followed by companies of the slaughtering and meat processing segment.

The third largest segment is milk processing. Almost one in ten employees work in the fruit and vegetable processing business. Beer manufacture is number 5.

TOP 5 EMPLOYERS

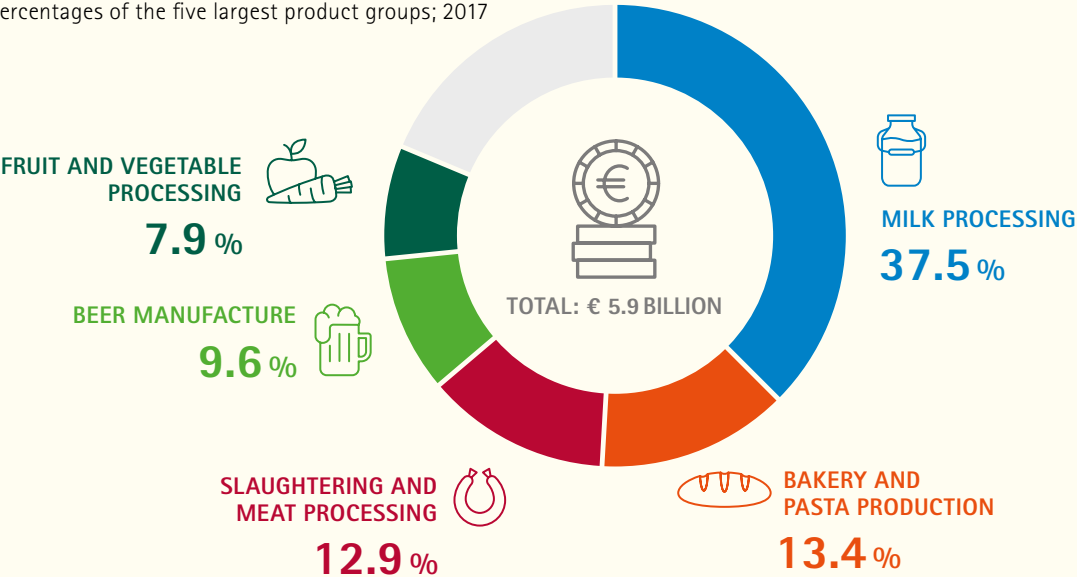
Workforce by segment; 2017

Source: Statistical Office of the Free State of Saxony; companies with ≥ 20 employees



SHARE OF SEGMENTS IN TOTAL TURNOVER
OF THE FOOD SECTOR

Turnover percentages of the five largest product groups; 2017



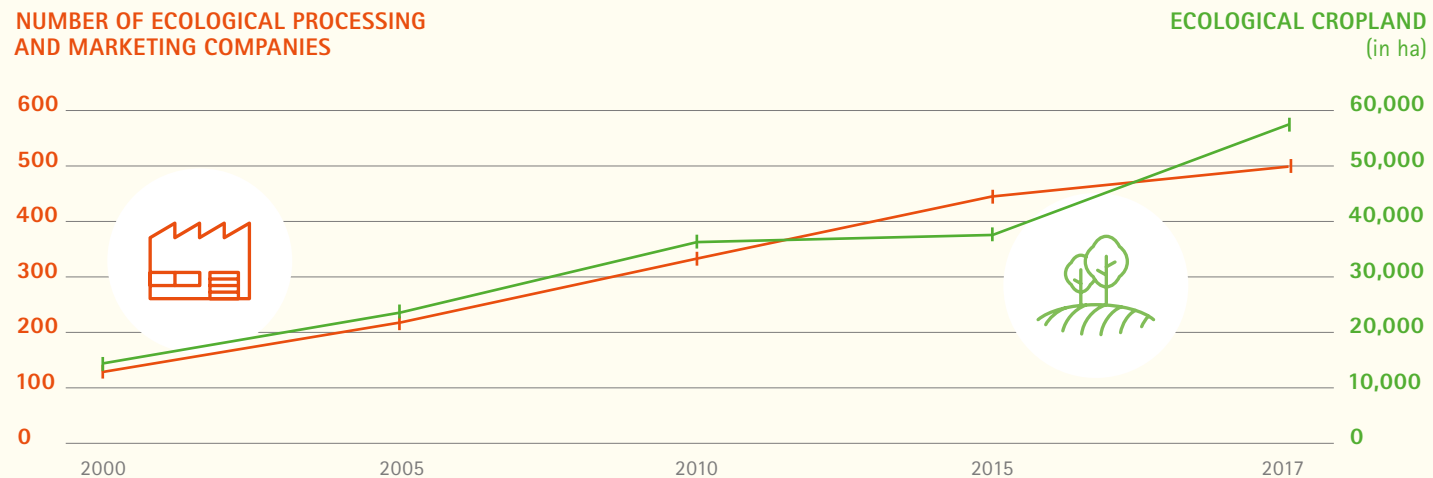
Source: Statistical Office of the
Free State of Saxony;
companies with ≥ 20 employees

Milk processing is one of the most important segments, accounting for more than one third of the total turnover on sales of the Saxon food sector. Other high-turnover segments are bakery and pasta production, as well as slaughtering and meat processing. Also, the segments of beer manufacture and fruit & vegetable processing contribute largely to the turnover on sales.



DEVELOPMENT OF ECOLOGICAL CROPLAND AREAS AND NUMBER OF ECOLOGICAL PROCESSING AND MARKETING BUSINESSES IN SAXONY

NUMBER OF ECOLOGICAL PROCESSING AND MARKETING COMPANIES



Source: Saxon State Office for Environment, Agriculture and Geology (LfULG); notifications from control bodies

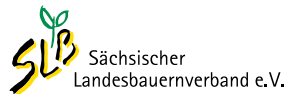
Organic produces



The land surface under organic production in Saxony more than quadrupled between 2000 and 2017. During the same period, the number of businesses for the processing and marketing of ecological base materials also increased by more than four times to almost 500 companies.



Partners for producers and processors



Saxon Farmers' Association www.slb-dresden.de

The Saxon Farmers' Association – *Sächsische Landesbauernverband e.V. (SLB)* – was founded in 1991. It represents the interests of the agricultural community in many areas such as agricultural policy, law or education.



Interest Group of Producer Associations in Saxony www.interessengemeinschaft-ige-sachsen.de

The Producer Associations' Interest Group in Saxony – *Interessengemeinschaft der Erzeugerzusammenschlüsse in Sachsen e.V. (IGE)* – was launched in November 1993 and has been operative as a registered association since 1995. It is a major forum for exchanges of information and experience for the majority of Saxon producer organisations.



Saxon Baking Trade Guild Association – Saxonia www.baeckersachsen.de

Landesinnungsverband Saxonia des Bäckerhandwerks Sachsen, which was founded in 1882, is the umbrella organisation of the regional baking trade guilds in Saxony, representing the interests of the baking and gingerbread trades.



Saxon Butchers' Guild Association www.sfiv.de

Sächsischer Fleischer-Innungsverband is the professional body of the butcher trade. The association represents the interests of its members towards the public, media, offices and authorities.



Saxon Food Trade Network www.ernaehrungsgewerbe-sachsen.de

Netzwerk Ernährungsgewerbe Sachsen, which was established in Bautzen in 2013, is a voluntary networking association of regionally based businesses and stakeholders in the food sector. The network is supported by the Bautzen branch of the Dresden Chamber of Commerce and Industry (IHK), which provides technical and organisational assistance while acting as the Network Contact Office.



Saxon Employers' Association of the Food Industry www.sang-online.de

The association *Sächsischer Arbeitgeberverband Nahrung und Genuss e. V. (SANG)* advises and represents the member companies in collective bargaining and labour-law matters while representing their economic and political interests towards the public, politicians and media.

SHARES BY SEGMENT IN TOTAL EXPORT TURNOVER OF FOOD SECTOR; 2017



**MILK AND DAIRY PRODUCTS
(WITHOUT BUTTER AND CHEESE)**
22.9 %



CHEESE
16.9 %



**BAKERY PRODUCTS AND
OTHER CEREAL PREPARATIONS**
8.1 %



BRANDY
6.5 %



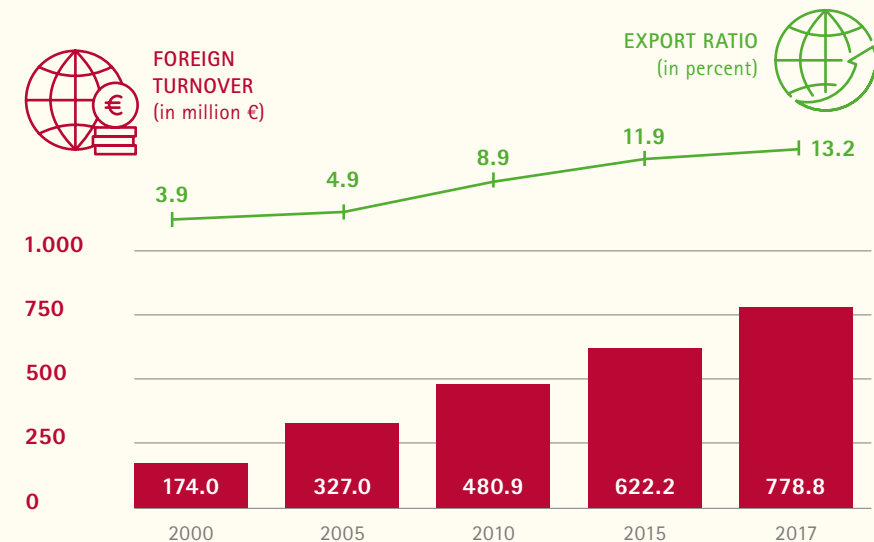
Exports

Saxon foods are popular also on an international scale. Exports are therefore gaining in importance. The foreign turnover of Saxon food, feed and beverage producers amounted to almost 780 million euros in 2017. The export ratio was more than 13 percent.

The major foreign markets for products from Saxony are Italy, Poland, the Netherlands, the Czech Republic and China, then followed by the UK, Spain and Austria.

DEVELOPMENT OF FOREIGN TURNOVER AND EXPORT RATIO

Source: Statistical Office of the Free State of Saxony; companies with ≥ 20 employees





Preserving the traditions.



Representing Saxony.



Specialities from Saxony

Saxony offers a multitude of regional culinary delicacies. Some of them are already well known, such as Christmas pastries like Dresdner Stollen® and Pulsnitzer gingerbreads, or Saxon beer, others have yet to be discovered. Whether sweet or savoury, solid or liquid, all of them are deeply rooted in the region, have an authentic history and a long tradition. Some of them are specially protected designations within the EU.

- :: Dresdner Stollen®, PGI*,
Dresdner Christstollen®, PGI*,
Dresdner Weihnachtsstollen®, PGI*
(traditional Christmas pastries)
- :: Meißner Fummel, PGI*
(pastry)



- :: Altenburger Ziegenkäse, PDO**
(goat cheese)
- :: Lausitzer Leinöl, PGI*
(linseed oil)
- :: Oberlausitzer Biokarpfen PGI*
(organic carp)
- :: Elbe-Saale-Hopfen PGI*
(hops)

* protected geographical indication

** protected designation of origin

Wine products such as wine, quality sparkling wine, semi-sparkling wine and liqueur wine also enjoy EU protection.

Further information is available at:
www.regionales.sachsen.de



Sales promotion in Saxony

In order to enable Saxon products to be "on everyone's lips" in the truest sense of the word, the continued assistance of the Saxon State Ministry of the Environment and Agriculture (SMUL) is necessary as a "door opener" for increased sales and turnover. The huge challenge for Saxony's medium-sized enterprises in the food sector is to become constant suppliers to supermarkets, discounters or wholesalers or, whenever possible, to get permanent shelf space. In order to arouse attention and be convincing as a proven high-quality producer, the food sector must join forces and act with self-confidence

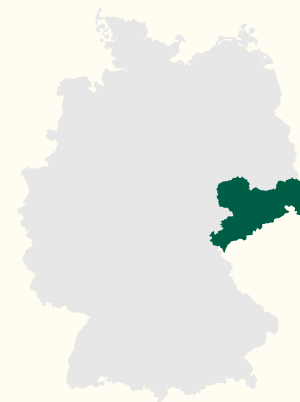
to recommend themselves to the highly concentrated food retail trade. Common sales promotion actions supported by the SMUL ministry are helpful in this respect.

Joint stands in national and international trade fairs or participation in commodity fairs are appropriate approaches to make the products and their producers known to food retailers or large consumers. Media activities help raise awareness among customers and end users. The support is also focused on forums and project workshops in the economic and scientific community for



enhancing the sector's innovativeness, as well as on constant knowledge transfer for quality assurance purposes. Reliable framework conditions maintained by the state government help ensure and preserve the economic status of Saxony.

Further information is available at:
www.sachsen-geniessen.de



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